

## Message Text

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43

ACTION EB-07

INFO OCT-01 EUR-12 IO-10 ISO-00 SP-02 AID-05 NSC-05

CIEP-02 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00

COME-00 FRB-01 INR-07 NSAE-00 XMB-04 OPIC-06 LAB-04

SIL-01 L-02 H-02 PA-02 PRS-01 USIA-15 /110 W

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P R 241403Z APR 75

FM AMEMBASSY PARIS

TO SECSTATE WASHDC PRIORITY 8776

INFO USMISSION EC BRUSSELS

USDEL MTN GENEVA

USMISSION OECD PARIS

UNCLAS PARIS 10427

PASS TREASURY

E.O. 11652: N/A

TAGS: ETRD, EFIN, FR

SUBJECT: FRENCH CREDIT MEASURES TO EXPAND EXPORT  
PRODUCTION CAPACITY

REF: PARIS 6939

1. AS PART OF ECONOMIC RECOVERY PROGRAM UNVEILED LAST  
EVENING BY PRESIDENT GISCARD D'ESTAING IN TELEVISED  
MONTHLY FIRESIDE CHAT (DETAILS OF PROGRAM REPORTED  
SEPTTEL), FRENCH GOVERNMENT HAS ANNOUNCED FOLLOWING  
CHANGES IN CREDIT MEASURES DESIGNED TO STIMULATE  
EXPANSION, BY SMALL AND MEDIUM SIZED FIRMS, OF PRODUC-  
TIVE CAPACITY FOR EXPORT.

A. RATE OF INTEREST ON LONG-TERM LOANS (OUTRISE THE  
HALF OF THE TOTAL CREDIT FINANCED OUT OF EXTERNAL  
BORROWINGS) EXTENDED UNDER THESE ARRANGEMENTS BEFORE  
DECEMBER 31, 1975 WILL BE REDUCED TO 8.5 PERCENT

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DURING FIRST 5 YEARS. TO ACCOMPLISH THIS, FRENCH

TREASURY WILL PAY SUBSIDY REPRESENTING DIFFERENCE  
BETWEEN 8.5 PERCENT RATE AND COST OF EXTERNAL BORROWING.

B. UNDERTAKING TO INCREASE PROPORTION OF TOTAL SALES  
REPRESENTED BY EXPORTS WILL BE MODIFIED SOMEWHAT SO  
THAT FIRMS ALREADY EXPORTING LARGE PART OF THEIR  
PRODUCTION, AS WELL AS THOSE WHOSE EXPORT SALES FLUCTU-  
ATE APPRECIABLY FROM YEAR TO YEAR, CAN PARTICIPATE IN  
PROGRAM.

C. HENCEFORTH SUB-CONTRACTORS OF EXPORTING FIRMS  
AND FIRMS WHICH EXPORT THROUGH COMMERCIAL INTERMEDI-  
ARIES WILL BE ELIGIBLE FOR LOANS UNDER THESE  
ARRANGEMENTS.

2. IN HIS SPEECH GISCARD AGAIN REFERRED TO THIS  
MEASURE AS ONE DESIGNED TO ENABLE "EXPORT FIRMS TO  
DEVELOP THEIR PRODUCTIVE CAPACITY AND EMPLOYMENT."  
IN ITS DESCRIPTION OF CHANGES, DISTRIBUTED TO PRESS  
ON APRIL 24, FINANCE MINISTRY AGAIN DESCRIBED  
PROGRAM AS ONE TO PROVIDE FINANCING TO "FIRMS WHICH  
EXPAND THEIR PRODUCTIVE CAPACITY IN FRANCE IN ORDER  
TO INCREASE IN A SIGNIFICANT FASHION VOLUME OF THEIR  
SALES IN FOREIGN MARKETS."  
RUSH

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TRADE PROMOTION, GOVERNMENT BUDGET, ECONOMIC PROGRAMS, ANTIINFLATIONARY PROGRAMS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 24 APR 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975PARIS10427  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750144-0218  
**From:** PARIS  
**Handling Restrictions:** n/a  
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**Original Previous Handling Restrictions:** n/a  
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**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
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**Subject:** FRENCH CREDIT MEASURES TO EXPAND EXPORT PRODUCTION CAPACITY  
**TAGS:** ETRD, EFIN, FR  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006